

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re:

LEHMAN BROTHERS HOLINGS, INC.,
et al.

Debtors.

: Chapter 11
:
: Case No. 08-13555 (JMP)
:
: (Jointly Administered).
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**ORDER COMPELLING LEHMAN BROTHERS SPECIAL
FINANCING INC. TO ASSUME OR REJECT RESERVE FUND
AGREEMENT PURSUANT TO 11 U.S.C. § 365(d)(2)**

Upon the motion dated January 15, 2009 of the Washington State Tobacco Settlement Authority ("TSA"), seeking entry of an order compelling Lehman Brother Special Financing Inc. ("LBSF"), a chapter 11 debtor in the above-referenced jointly administered cases, to assume or reject an executory contract pursuant to 11 U.S.C. § 365(d)(2) (the "Motion"); and it appearing that notice of the Motion was good and sufficient under the circumstances; and after due deliberation and sufficient cause appearing therefor; it is hereby

ORDERED that the Motion granted; and it is further

ORDERED that LBSF shall either assume or reject the Reserve Fund Agreement dated as of November 5, 2002, by and among TSA, LBSF and U.S. Bank, N.A., as trustee, by no later than _____, 2009; and it is further

ORDERED, that in the event such election has not been made and communicated in writing to TSA and the Trustee on or before _____, 2009, the RFA shall be deemed rejected and all of LBSF's right, title and interest thereto shall be terminated; and it is further

ORDERED that, in the event LBSF seeks to assume the RFA, nothing herein shall relieve LBSF from its obligation to comply with the requirements of 11 U.S.C. § 365(b)(1),

nor shall anything herein limit TSA's right to object to the assumption and/or assignment of the
RFA on any applicable grounds.

Dated: New York, New York
_____, 2009

UNITED STATES BANKRUPTCY JUDGE